

TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
May 13, 2014

Members Present:

Diana Doutre
Lyle Holmgren
Jeff Reese
Bret Rohde
Byron Wood
Roger Fridal, Mayor
Shawn Warnke, City Manager
Darlene S. Hess, Recorder

CITY COUNCIL MEETING

Mayor Fridal called the May 13, 2014 City Council Meeting to order at 5:00 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, Police Chief David Nance, and Treasurer Sharri Oyler.

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was offered by Councilmember Doutre and the Pledge of Allegiance was led by Councilmember Reese.

1. Approval of Agenda:

Motion by Councilmember Wood to approve the agenda of May 13, 2014. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

2. Discussion of the UTOPIA Network Public Private Partnership with Macquarie Capital including a potential discussion of the Milestone One Report prepared by Macquarie Capital and consideration of a process whereby the City Council can make a decision regarding participating in Milestone Two of the Predevelopment Agreement between UTOPIA (and Tremonton City as a UTOPIA member city) and Macquarie Infrastructure Development LLC. Discussion may include consideration of future public meetings and outreach to the public of the findings contained in aforementioned Milestone One Report

Manager Warnke said that he had a conversation with Wayne Pyle, the City Manager for West Valley City and also the current UTOPIA Board Chair Person. Mr. Pyle discussed some of the things other UTOPIA member cities are doing and potential opportunities for Tremonton. The City Council was able to attend the presentation by Macquarie where

they explained their proposal, so Manager Warnke said he would talk about the public process portion.

Macquarie has put in place some good resources to provide information. One such resource called gofiberutah.com. On that website, Macquarie includes Frequently Asked Questions, presentations, and a forum for people to discuss issues. The first thing Mr. Pyle recommended is that our website be linked to the gofiberutah.com site. Tremonton has already done that.

The other suggestion Mr. Pyle made was for the Council to hold an Open House for a community presentation. This works well to get the information out consistently to everyone. Other cities have invited Duncan Ramage from Macquarie to do the presentation. He did the presentation at Layton City, and it was phenomenal. Manager Warnke said that he e-mailed Mr. Ramage to see if that would be possible and asked that he also bring Mike Lee of First Solutions. Notice of the Open House could be sent out in the utility bills.

UTOPIA is working on a resolution for the cities to entertain to either opt in or opt out of the Macquarie proposal. The next question is, if Tremonton decides to opt out and other cities opt in, what the consequences will be. UTOPIA is working on that.

Tremonton has until the end of June to make a decision. Manager Warnke's understanding is that several cities are going to adopt the opt in resolution very quickly. Councilmember Rohde said that his understanding is that Tremonton can opt in now if the Council chooses but wondered if, at anytime during one of those milestones, the Council could opt out at that point. Manager Warnke confirmed that it is correct that the City isn't obligated until the very end. There are more expenses involved if the City opts out after Milestone Two. If Tremonton were to opt out now, the City would be liable for around \$13,000. It escalates from there. In Milestone Two they anticipate spending upwards of \$980K to complete the work of that Milestone. Tremonton would be liable for 2.57% of the \$980K if the City later decides to opt-out.

Councilmember Reese stated that Brigham City held two community meetings at different locations. One was held at a school auditorium. There was a presentation and then they held a question period where they responded to written questions. It was discussed whether the meeting with Mr. Ramage should come first because it sets up the stage – the history of how we got where we are and where things are going. The meeting should be tailored to Tremonton City as opposed to all the UTOPIA cities and give the citizens a full disclosure of what Tremonton is liable for so there are no surprises for anyone. It is time to put the negative behind and move forward – doing the best that can be done considering the situation. Macquarie is the only choice. There is a small but vocal percentage of people who won't be happy no matter what the Council does.

Mayor Fridal said that he recently spoke with the Mayor of Layton City who told of a conversation he had with a gentleman who was extremely antagonistic against UTOPIA.

In a forty-five minute conversation he was able to take that person from wanting nothing to do with UTOPIA to wanting to know when he could sign up for services. This is what can happen when people are informed correctly by people who know what they are talking about.

Councilmember Holmgren commented that the speed UTOPIA provides is incredible and it is what anyone in Tremonton can have if they are willing to go with more speed and if the agreement with Macquarie works out. Councilmember Rohde suggested that it would surely be nice to be able to demonstrate the speed to the people at the Open House. Councilmember Holmgren said that for only \$5 more households can get phone service.

Councilmember Rohde asked whether some cities would benefit more than others based upon percentage of up-sell or whether it is one package that all goes back to UTOPIA. He thinks he would be opposed if UTOPIA would divvy the benefits out to the various cities according to how much up-sell they have. Mayor Fridal responded that the first priority will be the UIA cities. The UTOPIA cities will still benefit. Councilmember Reese said that he would also have a problem with that. He feels it should be “all for one and one for all.” That would be a good question to ask. The City Council has fifty days before they need to make a decision.

The Council discussed the logistics of a community meeting including format, location, and the need to have recording ability.

Mayor Fridal said that at the next Mayor’s Meeting they are going to ask what Tremonton’s intentions are. The Councilmembers indicated that they are inclined to move forward with the Macquarie proposal. Mayor Fridal added that at this point there are assumptions that are being made. It is an assumption that Tremonton will be able to get the 30% take rate that has been discussed, but it is all a guess. There are no guarantees. Councilmember Wood added that if the system is built out and it is a mandate, the take rate will be almost 100%. The mandate may be the hard sale for the City. Councilmember Holmgren stated that from the report he read, no one is offering the speed that UTOPIA offers. This is what those people who want something fast will gravitate to. Once people get on the system, they will be happy with it.

3. Discussion and consideration of Tremonton City paying a portion of UTOPIA operational shortfall and directing City Staff to prepare a budget amendment to include a contribution to UTOPIA for operational shortfall

Councilmember Holmgren said that Tremonton is not the first city to pay the shortfall through June. He thinks Tremonton needs to move forward and pay the City’s part. It was discussed that almost everyone on the list that needs to participate has committed to pay the shortfall.

The Council discussed whether the Cities would be reimbursed for any of the operational investment they have made if UTOPIA is awarded funds from the lawsuit with RUS. There has been some discussion to that effect, but he is not sure it can be said with

certainty that will happen. Councilmember Wood said that the problem Tremonton has is that Tremonton didn't participate in the lawsuit at all, and the City is not a member of UIA. He said that he is still not in agreement that Tremonton should participate in the shortfall. UTOPIA still has operational capital until July. He doesn't think Tremonton needs to put their necks out. Once they get the proceeds from the lawsuit, he thinks what they would want to do is pay all of the operational shortfall and refund the cities at that time. Where Tremonton is not in UIA and didn't participate in the lawsuit, Tremonton would be last to see any reimbursement.

Mayor Fridal said that the Council may not want to pay any shortfall until UTOPIA needs money, but he would suggest that Tremonton agree to pay, because without any payment, there is no chance of making it to Milestone Two. UTOPIA needs to have a little security knowing that Tremonton will pay when it is necessary. Councilmember Reese asked if Tremonton could say that when the time comes, and if the lawsuit doesn't come through, Tremonton will pay. Councilmember Holmgren stated that if Tremonton owes the bill, the City should go ahead and pay it. Councilmember Doutre said that she agrees with Councilmember Wood. She thinks Tremonton can wait.

Mayor Fridal clarified that UTOPIA, which is in the shortfall, is what Tremonton and the other member cities are. We are part of UTOPIA which is not covering its expenses. We are one of the eleven UTOPIA cities and we are not paying our share of the operational shortfall expenses, and we haven't paid them in the past eighteen months or so. Other cities have been carrying Tremonton for that time. Mayor Fridal added that he, personally, does not like to be carried. Councilmember Rohde stated that he thinks Tremonton needs to pay the shortfall and get it done.

Manager Warnke explained that if approved, Tremonton will not be paying the entire amount at once. The City has been invoiced for \$5,546 per month for April through June. Councilmember Rohde commented that he is so concerned that not paying will jeopardize things with the Macquarie deal and he just doesn't want to see that happen.

Councilmember Doutre asked about the monthly invoice to Tremonton for January through March in the amount of \$6,246 for operations plus \$1,562 for litigation costs. Councilmember Wood said that was the other problem he has. UTOPIA is billing Tremonton for litigation and Tremonton wasn't a part of any of that. Councilmember Holmgren agreed. Tremonton wasn't part of any litigation, but if it comes down to jeopardizing anything. Mayor Fridal stated that he doesn't see how Tremonton will benefit from the litigation. It was suggested that the Council could decide to only pay for the operations assessment (\$6,246 for January through March and then \$5,546 for April through June) and not the litigation assessment.

Manager Warnke said that Tremonton may benefit from the litigation, but it is unknown how those proceeds will be used. The City will not be saving that much by deleting the litigation assessment, however. What he thinks might happen is that all the people who participate in the cost of litigation may receive a refund from the litigation proceeds first

and foremost. Then the question might be how the remainder of the proceeds will be used. In that way it could benefit Tremonton. The proceeds will go to those cities that bore the most financial risk associated with the lawsuit. The litigation assessment is \$4,500, but considering Tremonton hasn't been paying operational shortfall for eighteen months, maybe that isn't so bad.

Manager Warnke explained that Kirt Sudweeks (with UTOPIA) looked at what the total shortfall for operations is, including litigation. He didn't know what to take out and what not to, so he just bundled it all together in the \$5,500. The reason it is so much less is because of the Right of Use Agreement that UIA has with UTOPIA. UTOPIA is receiving more revenue as a result of UIA paying more money. Manager Warnke's recommendation is that the Council approve paying the entire UTOPIA assessment fee.

Mayor Fridal commented that he thinks Tremonton has an obligation to UTOPIA. Tremonton has been a member of UTOPIA from the beginning and Tremonton has been neglecting the City's responsibilities. Mayor Fridal said that he really doesn't want to pay litigation costs, either, but Tremonton has an obligation to support UTOPIA. It scares him that failure to do so could be any indication to Macquarie that there just isn't enough enthusiasm and Macquarie would decide to walk away from the deal.

Councilmember Wood stated that he is not fully against paying the short fall. He said that he is against paying it now. He feels that if the lawsuit gets settled, everyone will get refunded. If they have operating capital through July, why does Tremonton have to start paying now? Mayor Fridal responded that UTOPIA has to be funded. If Tremonton continues to move forward, Tremonton will continue to pay for operational expenses until Milestone Four is reached. After Milestone Four, Macquarie will come in and take over the operational expenses. It was discussed that, hopefully, the money from the lawsuit will cover or reduce the operational costs from that point on.

Manager Warnke suggested that the Council table this item until May 20th and he will provide more information at that point.

Motion by Councilmember Wood to table the shortfall. Motion seconded by Councilmember Reese. Roll Call Vote: Councilmember Doutre - nay, Councilmember Holmgren - nay, Councilmember Reese - aye, Councilmember Rohde - nay, and Councilmember Wood - aye. Motion died.

Motion by Councilmember Holmgren to consider paying Tremonton's portion of the UTOPIA operational shortfall expenses from January 2014 through June 2014 in the amount of \$40,062. Motion seconded by Councilmember Rohde. Roll Call Vote: Councilmember Doutre - nay, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - nay. Motion passed.

4. Presentation on the Advisory Committee's recommendation regarding selecting a Branding Consultant from the Tremonton City & Tremonton City Redevelopment Agency Request for Statement of Qualifications for Branding Services

Councilmember Reese stated that, with the expenses related to agenda items 2 and 3, he is not willing to do anything until these other items get figured out. Councilmember Holmgren agreed that it is too much right now. Councilmember Rohde said that, depending upon what action takes place with UTOPIA, it may have some impact on the branding. He agrees that right now is not the appropriate time.

Manager Warnke said that there are two branding companies that were shortlisted. At some point he will need to contact them and let them know what direction Tremonton is going. Councilmember Wood said that he still thinks that all of the branding can be done in-house. He doesn't see what benefit an outside company will provide for the money that will be paid. Councilmember Holmgren stated that he can see a branding company could provide research that the Staff may not have the capacity to do. He would like to see an a la carte arrangement where the City can pick and choose which services would be of benefit. He agrees that there are things the City can do in-house such as web development, the City flag, etc.

Manager Warnke commented that he is not encouraging the Council to do one thing or another at this point, though he does have a recommendation. However, at some point it would be good for the Council to hear some of the information. Councilmember Wood asked Manager Warnke to proceed with his branding presentation.

Manager Warnke stated that a lot of the time people equate branding with a logo. Sometimes people create a logo and then back into a brand, but a brand is much broader than a logo. Branding is the creation and framing of the organization. A great brand is eventually permeated through the organization so it eventually becomes part of the organization's culture. Elected officials represent the City in accordance with the brand, and all communications tie into the brand. It is really a strategic process and way of moving the City forward.

Branding is what someone else thinks of the organization. There is some emotional feeling, so it is a little more nebulous. What it comes down to is a promise. It is what the City organization is about; what the Staff does as a city and what people's experience or expectations should be. It is accomplished through both written and oral communication.

Part of the issue is that Tremonton has never been through a branding process. Manager Warnke showed some of the various City and Department logos that have and are being used. It is a mistake to think these are the City's brands. The City doesn't have a brand, so everyone is just creating their own logo. The City needs to come up with an organized and systematic brand which represents the City. Manager Warnke told an experience that he had heard wherein a mayor stated that his City was doing great things, but the city was not getting credit for it. Manager Warnke asked the Council to think about the Senior Center. There are organizations that are helping participate, but, really, it is Tremonton City that funds the Senior Center, and what do we call it? We call it the Bear River Valley Senior Center. That is not good or bad, but it doesn't necessarily give the City the

credit that it deserves associated with the City's responsibilities and obligations.

Manager Warnke stated that he likes the old classic City logo. The old logo includes tractors and there are tractor dealerships all along Main Street, so it is easy to see that agriculture is a part of the surrounding community. On Main Street there are open fields, too. All of the things that are embodied in that logo are more obvious and pervasive than the City's current logo which Manager Warnke feels is a little hard for anyone to understand. His understanding is that it is suppose to represent that Tremonton has a fiber optic network (being a part of UTOPIA). Again, the City did not go through a branding process, it just created a logo.

Manager Warnke mentioned that his understanding is that the City's first classic logo came about through a contest and it was a high school student who actually put that logo together. He feels that it is a logo that has served the City well.

Manager Warnke stated that the new logo has been in existence for six or seven years. The Council discussed that they understand why the logo was changed. Connectivity was a big thing at that time.

Manager Warnke said that part of the problem is that the City needs to redo the City's billboards. The Council has discussed having the billboard serve a purpose and be done well. He said that he doesn't mean to be critical of whoever did the billboard in the past, but, in his opinion, it is not done well for several different reasons. It does have the City's old logo, but, any brand or logo has to be readable on a highway where people are driving 80 MPH. That is one of the problems with the classical logo. It isn't very readable in those circumstances. All the billboard says is that Tremonton has services. Maybe that is the message that the City wants to convey on the billboard, but maybe that it not the message that the Council wants.

The discussion of branding was born out of a recommendation from SDAT as part of the Main Street Revitalization Project. The SDAT Team recommended that the City do the branding and get it right. Twenty-five years go, Tremonton had a similar Main Street study done and they essentially said the exact same regarding marketing and branding. Manager Warnke said that he thinks this is an issue that the City will continue to have until some resources are invested to branding. The branding recommendation from SDAT was to hire a professional.

The Staff created an RFQ (Request for Qualifications) and created an advisory committee to help evaluate the different qualifications. Two vendors caught the Advisory Board's attention: BWP and North Star.

North Star has developed hundreds of brands for communities. A big portion of their process is all of the research they do about the City, and then they create a brand platform, and based upon that, such things as logo, the marketing message, billboards, etc.

The things the Staff specified that the City needed were: a logo and tag line, corporate materials including letterhead, a style guide to help the City consistently use the brand, vehicle markings, billboard/sign copy, website design, gateway signage, etc.

Although it wasn't unanimous, the majority of the Advisory Board felt like North Star was the best qualified, had the most experience, and could produce the best outcome for Tremonton City.

North Star's quote was \$56K for the first two phases, which should be enough to accomplish the branding goal for Tremonton. The City has about \$20K in grants that are available, leaving an overage of about \$37K. That expense could be divided over multiple funds.

Manager Warnke reminded the Council that branding is not a logo. It is about the culture of the organization and what that organization wants people to know and think about them. If the City engages in branding, it is going to take effort and resources. It is an ongoing process, and Tremonton has never spent money on marketing.

Manager Warnke read a quote that he found to be interesting. Henry Ford said, "A man who stops advertising to save money is like a man who stops a clock to save time." Manager Warnke recognized that it is painful, and that this may not be the right time.

Manager Warnke submitted applications for three of four possible Tourism Tax Advisory Board (TTAB) grants and the TTAB funded two. The two that they did fund were for the wall mural, and a softball tournament. What they didn't fund was \$15K to help with the branding effort and \$15K to help with the billboard sign copy.

Manager Warnke stated that there are some options. The worst scenario would be that the City would spend the money and it wouldn't go quite the way the City hoped.

The first option would be to do nothing. Manager Warnke emphasized that he does think it is a worthwhile investment and that at some point in the City's development the City will need to conduct a branding process. The sooner it is done, the better off the City organization will be, especially as improvements are begun on Main Street. The idea is that the brand would be used in the improvements.

The second option would be to just refresh the City logo. In the process, the Staff may get lucky and actually back into a brand by virtue of creating a great logo that resonates with everyone. All Department Heads would be told that they are to use the logo that is created. The City has a grant in the amount of \$3k from EDC Utah that could be used for a logo refresh.

The third option would be to engage a branding consultant. The City still has money that can be used for branding. As mentioned in the Staff Report, using the \$17,500 in CIB funds is not a guarantee, essentially the City has to submit invoices and then the CIB

Staff will decide whether to pay or not pay, but Manager Warnke did get a preliminary review and it seems to fit within the scope of work already approved by the CIB Board. If the City does receive the \$17,500 from CIB, the money could be used for anything that is listed on CIB approved scope of work, but remember that it would be a 1:1 match.

Councilmember Wood commented that if the City could create new signs on either side of town and then come up with a new logo, it would probably be better. If the City could get a matching grant, that would be wonderful. He still thinks the Staff could reach out to the citizens and get the businesses involved and ask them what in their mind would be a good gateway sign. They could suggest logos and gateway signs. Even if the Council and Staff didn't like any of them, it wouldn't cost any money other than advertising.

Manager Warnke stated that the gateway sign has been discussed in the past. This is why he feels the City needs to go through the branding process at some point. He gave the example that the City could come up with a logo which would then be placed on the gateway sign. Then, say the Council and Staff rethink the issue and decide that the logo doesn't represent the City well and there are problems with it. That possibility is decreased by working with a professional. Over the years, Tremonton has made two different attempts at creating a logo.

Councilmember Wood interjected that he thought the old logo was wonderful. It pretty much represents what Tremonton is. Manager Warnke said that one thing that could be done would be to use the grant money from EDC Utah to hire a professional graphic artist to refresh the old logo. Councilmember Reese suggested giving the graphic artist the example of the old logo as an option but not limit him to that design.

Councilmember Holmgren referred to the community meeting that was held as part of the Main Street Revitalization project, where the City furnished hot dogs, etc. It provided the opportunity to interview those who were there and get their ideas. That could be done again. Sometimes these homespun ideas are really good. That is essentially what the professional researchers are going to do. Perhaps the City could do this themselves.

Councilmember Holmgren also wondered if the Council could do an a la carte type of thing – picking and choosing which services the City may not have the expertise to do and would like the branding company to do. Manager Warnke replied that the branding companies will do this. The hard part is, in order to develop the brand they do a lot of research, including surveys, and log into their data base. There is a creative element to it, but a lot of it is based on the research they do. For North Star, the research portion is \$30K, and then the deliverables grow out of that research.

Councilmember Doutre asked what the City's goal is. She would like to see that defined. She is concerned about throwing money into something that does not deliver benefits. Manager Warnke responded that what it comes down to is advertising the City. He had an interesting conversation with representatives of Cliff Bar. They have a great brand. Manager Warnke asked him if branding was worthwhile and he responded that it definitely is. An organization really needs a brand. Businesses may or may not come,

but it is an investment. Cities who do brand open themselves for more discussion and opportunities.

North Star has some great case studies. One of the fantastic examples they give is that all of the businesses branch off from the city's brand. The businesses were using the city's brand in their marketing and reinforcing the brand.

Manager Warnke feels that Tremonton's best chance for success is to hire the best qualified company. In the interim, perhaps the City just does a logo refresh.

Councilmember Rohde said that there are some things that a branding company offers that Tremonton isn't capable of doing. He added that Tremonton is going to be going through some big changes with UTOPIA. Because of that, he questioned whether this was the time to be making these changes. Councilmember Rohde feels strongly that the web page be redesigned using a Content Management System format. He would hope that whoever designs the website will do it so that the website will be ready to go when the design is finished. If not, the City would have to pay quite a bit more money.

Manager Warnke said that when the City gets far enough into the process, the Staff needs to sit down with the branding vendor to understand exactly what the deliverables and the individual prices for those deliverables are.

Councilmember Reese stated that he believes North Star is a good company, but he is concerned that there will be more expense because they are located that far away. That is why he felt it would be better to go with a local company. Possible local companies were discussed and the possibility of contracting with one of them to do just the logo for \$3K, Manager Warnke said that he would like to give the bidding companies some direction. Councilmember Wood agrees that the City has too many things going right now and doesn't see that there would be any extra money to hire a branding consultant.

Mayor Fridal said that he agrees with a lot of what has been said. He agrees with trying to do some of the process in-house. Tremonton is a great town, but it has no pizzazz. There was an improvement project in 1988, but not much was done. The last time the logo was changed, there wasn't much done, either. Councilmember Wood commented that the logo brought some businesses to Tremonton. Mayor Fridal asked what the purpose was for the SDAT process last year. For him it was a process to determine what the Council and the citizen's of Tremonton want to see in the future. If the Council pays attention to the SDAT report at all, recognizing that the City may not have all the money to do everything right now, the Council can pick and choose and decide what is the most important. Mayor Fridal thinks it may be the logo. Mayor Fridal suggests moving forward on the branding process. It is a good idea. He also feels that sometimes outside eyes are needed. It needs to be done realistically, doing what can be afforded financially. With the big expenditures coming up, perhaps the City should hold off on this a little bit, but continue to proceed. He would like to see the Council move forward so that in twenty-five years, Tremonton won't be just a nice town – Tremonton will have changed;

will have become better. The Council agreed with Mayor Fridal.

Councilmember Rohde said that he feels the top priority should be website design. He doesn't feel like it would be that expensive. Councilmember Doutre agreed. Everything that was presented at the League of Cities and Towns meeting in Saint George was about communications.

Councilmember Holmgren commented that Tremonton already has research information from SDAT. He wondered if the Staff could build on the information that has already been gathered and start working on the website. The City needs to build a Facebook page to show the world we are here. Manager Warnke added that a logo refresh could also be done.

Councilmember Doutre suggested that the City also add daily updates to the website or Facebook to keep the public informed of things that are going on. It could be activities or road closures, or whatever. Councilmember Holmgren said that a Content Management website design gets into just that type of thing.

5. Discussion and consideration of adopting Resolution No. 14-24 approving an acquisition agreement between Holmgren Properties LLC and Tremonton City for a conservation easement and trail easement on parcel 05-042-0147 located in the Malad River Bottoms and acquisition of land for the future development of a trail and trailhead/parking lot on parcels 05-042-0147 and 05-042-0111 generally near 300 East and 600 North

Manager Warnke explained that this conservation easement would create a mile long trail along the Malad River Bottoms. On top, the City would acquire a .39 acre lot which would serve as a parking lot. Resolution No. 14-24 is for the acquisition of the Conservation Easement and public access down to the Malad River Bottoms. It encumbers 14.23 acres of land along the Malad River Bottoms.

The City has LeRay McAllister funds. Part of those grant funds require the City to do an appraisal. Two appraisals were done: one that shows the value of the 14.23 acres of land before anything is placed on it. That appraisal came in at \$627K. The issue that comes with the placement of the easement is that it restricts how that land is used. The City has zoning restrictions, but there are also other restrictions which are part of the Conservation Easement and Public Trail Access. In effect, it affected more than just the 14.23 acres. The land value after the easements were placed was \$481K. The difference between the "before" appraisal and the "after" appraisal was calculated. This came to \$147K (rounded to the nearest thousand).

What is being proposed is the acquisition of 14.23 acres for Conservation and Trail Easements for the price of \$65K which is well below the appraised value of \$147K. Essentially, Holmgren Properties would be donating \$82K worth of value to the City. There is \$20K that is coming from the LeRay McAllister grant which requires that the City match the funds dollar for dollar. The City's portion would come from impact fees. The Recreation Impact Fee jumped from \$300 to \$1,300, so that is a \$1,000 increase per

unit.

Manager Warnke explained that impact fees are the mechanism the City has chosen to acquire park land. The City does not exact it from developers; it is exacted at the time of building permits are acquired, through impact fees. The City also needs to move forward with purchasing park land consistent with the City's Impact Fee Facilities Plan. This acquisition is well within the boundaries of impact fees and the list of projects the Council wishes to accomplish with the collection of impact fees. There is also money set aside in the City's Impact Fee Fund for the purpose of Parks and Recreation acquisition.

The second parcel of property (.39 acres), which will be for the purpose of the parking lot, will be acquired sometime in the future, upon the platting of the subdivision. The cost to the City for that will be \$45K.

Motion by Councilmember Doutre to adopt Resolution No. 14-24 and approve this acquisition. Councilmember Wood asked if there is an estimated dollar amount of what it will cost to build out the trail. As the City begins excavating the trail, there are springs coming off the hillside and there could be run-off and sloughing. A lot of people have approached him saying they don't think this is a good idea and that the community would be better served putting a park somewhere else within the City. There is also concern that the City is favoring a certain part of town.

Manager Warnke said the short answer is "No," but he explained that Danny White, with Envirocentric, did some preliminary work associated with identifying the wetland area. In large part, the trail is on the outside of what is believed to be the wetlands demarcation. It is just dependent on how the trail is constructed. The type of construction and material used will drive the price. What is a little bit unknown is the hillside. It is not exactly certain where the wetlands are in that area and there are some grade issues, as well. Holmgren Properties has agreed to allow the City to place the trail within the area marked in green on the map with the understanding that it will be placed at the lowest possible elevation. Councilmember Wood expressed concern that that is all flood zone area. Manager Warnke responded that it is believed that there is still area that could be used. There would be excavation for a trail path. This is just the start of other larger expense, but it is something that can be done over time, and it is something that is within the City's General Plan dating as far back as the 1970's. The property for every Trail Plan the City has ever done since the adoption of the General Plan has reiterated the idea of creating trails in the Malad River Bottoms. There is no other place in Tremonton that has this kind of educational and wildlife opportunities. All other property that provides access to the River Bottoms has already been parceled out.

Councilmember Holmgren declared a conflict of interest on this agenda item.

Councilmember Rohde asked Councilmember Doutre how the people she has talked to feel about this project. Councilmember Doutre responded that this is really a different recreational opportunity than anything else in Tremonton. She feels that it will be a

peaceful place where people can walk with their strollers or bikes. She feels it will be a wonderful use for our City. She added that she has talked to a lot of people about this. Councilmember Rohde said that the thing he is struggling with is that there are four people on the Council who live right by this proposed area. That is why Councilmember Doutre's opinion is extremely important to him because she is not one of them, and he is a little concerned about that. Councilmember Doutre added that in the back of her mind she would really like to see a park west of the freeway because there are a lot of people in that area, but there are only two roads that go under the freeway. Both of those roads would be quite dangerous for bikers, so she would love to see a park west of the freeway. She feels that this River Bottoms trail is a very worthy place to have this kind of trail. She likes it. Manager Warnke commented that it wasn't this Council who first designated a Malad River Bottoms walking trail as part of the City's General Plan.

Councilmember Reese stated that his key concern is what the real cost will be for this trail and whether the City can really afford it. Councilmember Rohde asked if the City needs to move forward with the trail at this time. The Council could just agree to purchase the easement and then, as revenue comes in, the easements will be in place and the City could move forward with developing the trail. The Council further discussed the possible costs of a walking trail and whether people would really use it. Councilmember Rohde stated that he has been down in the River Bottoms and the wildlife and everything is awesome.

Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - abstained, Councilmember Reese - no, Councilmember Rohde - aye, and Councilmember Wood - no. Due to a tie vote, Mayor Fridal was required to vote. Mayor Fridal said that he doesn't make decisions easily, but he doesn't want his vote to be perceived as benefiting him. That is his concern. He would vote for it because he thinks it is a good idea. Tie breaking vote: Mayor Fridal - aye. Motion approved.

6. Discussion and consideration of donating a Yale, Stand-Up Forklift with 4,120 hours and a Komatsu, Sit-down Forklift with 5,635 hours that were previously declared as surplus property by the City Council

Councilmember Wood stated that he spoke to someone from Garland. He indicated they are in need of a forklift. When asked if they would be interested if the Council was willing to donate it to him, and he said he would. Councilmember Doutre pointed out that the Fire Department borrowed the forklift from the Pantry, and now it won't start. Councilmember Wood commented that some of the firemen inspected the forklift and they indicated that the top cylinder is gone. Garland knows what they are getting into and they are paying nothing for it. It was agreed that it would be a good gesture.

Motion by Councilmember Wood to donate the forklift to Garland City. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

7. Artist sketch of mural to be placed on the Museum at 11 East Main – Jason Nessen

Manager Warnke displayed a rough sketch of the mural. The Council liked it. Work is still being done on securing an access easement to the building. The artist will need some scaffolding to complete the project. Councilmember Dautre indicated that she has some scaffolding if they need it.

8. Administration/City Manager Advice and Consent.

- a. Discussion of the draft 2014 – 2015 Budget.

Manager Warnke said that he handed out copies of the Draft Budget to the Council. The Budget will also be discussed at the May 20th City Council Meeting. If the Council has any corrections, please let him know.

- b. Council comments:

Councilmember Rohde commented that he has been thinking that this is the first time the Council has had a lot of discussion and different votes, but he thanked the other Councilmembers for their civility. He felt that it was handled well. He was worried about that.

Councilmember Wood stated that, at the end of the day, they are all still friends.

Councilmember Reese agreed. The Council has had some tough decisions to make, but they are friends.

Mayor Fridal added that decisions are often difficult. He told the Council that he appreciates them and that they do a good job.

10. Adjournment.

Motion by Councilmember Dautre to adjourn the meeting. Motion seconded simultaneously by Councilmembers Holmgren and Reese. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

The meeting adjourned at 7:08 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Norene Rawlings.

Dated this _____ day of _____, 2014.

Darlene S. Hess, Recorder